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73-5546

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Executive Registry
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1973

MEMORANDUM FOR: Director of Central Intelligence

FROM : Deputy Director for Management and Services

SUBJECT : Procedure for Handling Sale of Air America

1. Action Requested: It is requested that you approve the recommendations contained in paragraph 4 in connection with the proposed sale of the Air America complex.

2. Basic Data or Background: As you are aware invitations to bid for the purchase of the Air America complex have been furnished to several corporations. The deadline for these bids is 15 October 1973. I understand that there will be two or more bids submitted for these assets.

In order to deal with these bids it is proposed that a Bid Review Committee be established. This Committee will be chaired by [] 25X1
[] Special Assistant to the Deputy Director for Management and Services, 25X1
and will be comprised of representatives from East Asia Division, [] 25X1
[] Office of Logistics, Office of Finance, Office of Planning, Programming and Budgeting, and the Office of General Counsel. It is further proposed that the services of consultant [] be utilized as 25X1
technical consultant to the Committee.

It is anticipated that the Bid Review Committee will review all bids to determine preference in order of priority. In making its recommendations the Committee will apply a 50 percent factor to the bidders ability to continue to provide flying services in the Southeast Asia environment in response to U. S. Government organizations requirements. It will also apply

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a 50 percent factor to the bidders price and to the bidders ability to continue to operate on a sound financial basis and assume Air America's liabilities to its employees.

Under present planning once bids are received they will be opened by the Deputy Director for Management and Services who will review them and furnish them to the Bid Review Committee for their recommendation. The Bid Review Committee will divide itself into two subcommittees, one to consider criteria concerning the ability of the bidders to provide future flying services, and one to consider the financial factors involved. It is planned that representatives of the EA Division, [REDACTED] and the Office of Logistics will deal with the matter of future capabilities of the bidders to perform services, and in this connection will liaison with the Department of Defense, Department of State and AID to ensure that their views are incorporated into this portion of the decision. It is planned that representatives of the Office of Finance, Office of Planning, Programming and Budgeting, and the Office of General Counsel will deal with the financial factors. When actions are completed the Bid Review Committee will submit its recommendations to the Deputy Director for Management and Services for a decision as to bidder preference.

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Once bidder priority has been determined it is proposed that the Special Assistant to the Deputy Director for Management and Services, [REDACTED] be assigned Agency responsibility for the negotiations. He will be supported by consultants [REDACTED] and Larry Houston and by contracting officer [REDACTED] will represent The Pacific Corporation during the negotiations and will act as technical consultant in connection with the negotiations.

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Set forth below is a proposed timetable for such action:

Opening of bids	16 October
Committee Study on Bids and Submission of Recommendations to Deputy Director for Management and Services	15 to 29 October

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Decision as to Bidders in
Order of Preference

29 October to 1 November

Negotiations for Bids,
Arrangements for
Acceptance by the Chinese
of the Proposed Owner,
Arrangements for Financial
and Audit

1 November to 1 December

Necessary Corporate Action
to Effect Closing, and
Closing

1 to 15 December

3. Staff Position:

4. Recommendations: It is recommended that you approve:

(a) the method of handling bids and the selection of a preferential bidder in the sale of the Air America complex,

(b) the establishment of a Bid Review Committee chaired by [] with members representing East Asia Division, [] Office of Logistics, Office of Finance, Office of Planning, Programming and Budgeting, and the Office of General Counsel, and that consultant [] [] serve as technical consultant to the Committee,

(c) the adoption of the evaluation criteria outlined above,

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(d) authority to approve acceptance of bids in order of preference to the Deputy Director for Management and Services, and

(e) the appointment of as the Agency officer responsible for the negotiations with the various bidders.

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HAROLD L. BROWNMEN
Deputy Director
for
Management and Services

/s/ W. E. Colby

16 OCT 1973

APPROVED: _____

DISAPPROVED: _____

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SUBJECT: Procedure for Handling Sale of Air America

CONCURRENCE:

25X1

[Redacted]

12 OCT 1973

Chief, East Asia Division

25X1

[Redacted]

OCT 1973

Deputy Director for Operations

25X1

[Redacted]

for Director of Finance

25X1

[Redacted]

12 OCT 1973

Director of Logistics

25X1

[Redacted]

10/12/73

Director, Planning, Programming and Budgeting

25X1

[Redacted]

for General Counsel 12 October 1973

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